and probationary reserves) are to be filled in by promotion of eligible Groups-B officers to the Indian Civil Accounts Service Group-A Cadre. In other cadres, there is a promotional quota of 20% from Group-D to Lower Division Clerks and 30% from Lower Division Clerks to Accountants.

Discussions with Bank Union on Privatisation

1652. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to stale:

(a) whether Government have discussed issues relating to bank privatisation and VRS with bank unions recently;

(b) if so, the outcome of the discussions held;

(c) whether the bank employees' union have threatened to go on strike in case Government think privatisation of banks; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) A delegation consisting of All India Bank Employees Association (AIBEA) and other constituents of United Forum of Bank Unions had met the Finance Minister on 10th November, 2000 and handed over a representation, *inter-alia*, relating to privatisation of Banks. Voluntary Retirement Scheme and reduction of retirement age from 60 years to 58 years. The reason for Government decision to reduce the minimum prescribed Government shareholding in nationalised banks from 51% to 33% were explained to the Unions and their support sought in improving the financial soundness of banks which is critical in laying a strong financial architecture in the country. They were also told that there is no proposal to privatise the public sector banks and that their public sector character will be maintained.

(c) and (d) The Indian Banks' Association (IBA) received a notice for one day strike from United Forum of Bank Unions. While reconciliation proceedings were pending, the Unions went ahead with strike on 15.11.2000.

Reduction of **Management Expenses in Peerless General Finance and Investment Company Ltd.**

1653. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to stale:

(a) whether it is a fact that in a letter to the Peerless General Finance and Investment Company Ltd. in April this year, the Reserve Bank of India directed the company to slash down the lavish management expenses and cut down adminstrative expenses;

(b) whether the company has since submitted a compliance report giving full details of reduction in lavish management expenses;

(c) if so, the details thereof; and

(d) if not, what action is proposed to be taken in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Following inspections of the Peerless General Finance and Investment Company Ltd. with reference to its position as on 31st March, 1999, Reserve Bank of India had issued a supervisory letter in April, 2000 advising the company *inter-alia,* to initiate action immediately to achieve targets in terms of lowering of administrative expenditure. In response to this, the company admitted its inability to bring about saving in employees-cost and furnished reasons for increase in adminstrative expenses. The company also advised that it had launched a Voluntary Retirement Scheme in August, 2000 as contemplated in its Turn around Plan, in response to which 2780 employees have opted for separation and the implementation of this scheme would enable the company to save Rs. 40 crore per annum towards employee cost.

Volatility in Stock Prices of Bombay Stock Exchange and National Stock Exchange

1654. SHRI P. K. MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether the volatility in prices of shares in New York and Tokyo Stock Exchanges is influencing the stock prices in the Bombay Stock Exchange and National Stock Exchange due to globalisation; and

(b) if so, whether Government have made any policy to tackle such a situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Price fluctuations on stock markets is a market phenomena and depend on several factors which include *inier-alia,* domestic and international events, economic fundamentals, market sentiments.